

## Ways & Means Committee

### SSB 6382

**Brief Description:** Reducing the cost of state government operations by restricting compensation.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Tom; by request of Governor Gregoire).

#### Brief Summary of Substitute Bill

- Extends the salary freeze for exempt and Washington Management Service employees from February 18, 2010, to June 30, 2011.
- Provides an exception for the salary freeze for specified retention and recruiting purposes.
- Prohibits cash recognition awards for the remainder of the biennium.

**Hearing Date:** 1/26/10

**Staff:** Charlie Gavigan (786-7340).

#### Background:

The programs and functions of state government are administered by numerous state agencies and institutions, the costs of which are appropriated by the Legislature. These costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training.

Generally, state employment positions are either exempt, general service, or Washington Management Service (WMS). General service employees are eligible to collectively bargain if they so elect. In higher education, employee positions typically are either exempt or general services; some categories of exempt employees as well as general service employees may collectively bargain if they so elect. For example, higher education faculty and graduate students are exempt employees but may collectively bargain. For employees who collectively bargain, salary and wage increases are determined as provided in the existing contract.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The 2009 Legislature established a 12-month prohibition on salary and wage increases for exempt and WMS employees in Chapter 5, Laws of 2009 (Engrossed Substitute Senate Bill 5460). The ban on salary increases will expire on February 18, 2010.

**Summary of Bill:**

The prohibition on salary and wage increases for exempt and WMS employees of state agencies and institutions of higher learning is extended through June 30, 2011. An employer may grant a salary increase to a position for which it has a demonstrated difficulty retaining qualified personnel, provided that the increase can be paid within existing resources and without adversely impacting the delivery of client services. Any agency giving a salary increase for an exempt or WMS position must submit a report to the fiscal committees of the Legislature by July 31, 2011, describing the increases given and the reasons for the increases. The prohibition on salary increases is expanded to include awards of cash or cash equivalents given in recognition for performance or longevity.

**Appropriation:** None.

**Fiscal Note:** Requested on January 22, 2010.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.